

News Release



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Labor Department Sues Belgium Foundry Official For Failing To Forward Employee Contributions to 401(k) Plans

CHICAGO— The U. S. Department of Labor has sued Belgium Foundry Acquisition Company, Inc., of Belgium, Wis., and a trustee of its union and non-union 401(k) plans for failing to forward \$60,433.73 in employee contributions and interest to the plans.

“The department is committed to protecting the benefits of workers,” said Kenneth Bazar, director of the Chicago regional office of the Employee Benefits Security Administration (EBSA), which investigated the case. “One of the most important responsibilities of plan officials is to put money from workers’ wages into their 401(k) accounts on time.”

The company and James C. Medinger -- vice president, an owner of the company, and trustee of both plans -- allegedly withheld the employee contributions, failed to forward them to the respective plans and retained the funds in the company’s own general assets from January 2000 to January 2003.

The department also filed an adversarial complaint with the U.S. Bankruptcy Court in the eastern district of Wisconsin to prevent Medinger from discharging debts owed to the plans. Medinger filed for Chapter 7 bankruptcy on April 9, 2003. The company initiated State of Wisconsin Receivership proceedings in January 2003 in circuit court in Ozaukee County. Its final disposition is pending.

The suit seeks to restore employee contributions to the plans with interest and permanently bar Medinger from serving as a fiduciary to any plan governed by the Employee Retirement Income Security Act (ERISA).

Belgium’s principal business was the manufacturing of castings for agricultural and electronic equipment. The non-union plan, adopted in April 1993, had 7 participants and \$272,802 in assets as of Dec. 31, 2001. The union plan, adopted in January 1984, had 33 active participants and \$762,543 in assets as of Dec. 31, 2001.

This suit, filed in federal district court in the eastern district of Wisconsin in Milwaukee on Oct. 14, resulted from an investigation conducted by EBSA’s Chicago regional office. Employers and workers can contact the regional office at (312) 353-0900 or through EBSA’s toll free number, **1-866-444-3272**, for help with any problems relating to private-sector retirement and health plans.

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(Chao v. Medinger)
Civil Action No. 03-C-0998
Adversary Complaint No. 2003-2525